



State Miscellaneous
and Industrial Members



***Retirement Benefit
Election Package***



California Public Employees' Retirement System

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Information Acknowledgment Form

Acknowledgment of Receipt of Retirement Information

I have received the information and election package on
the State Miscellaneous or Industrial 2% at age 55 and
State Second Tier 1¼% at age 65 retirement formulas (PERS-MSD-350).

Member Signature

Social Security Number

Member Printed Name

CalPERS Membership Date

Date

Employer

Daytime Telephone Number

**This form must be completed, signed, and returned to your
personnel clerk who will forward it to CalPERS.
THIS IS NOT AN ELECTION DOCUMENT.**

This information and election package was given to the above employee.

on: _____

by: _____

Date

Personnel Office Staff

()

Phone Number

Please return this form to:
California Public Employees' Retirement System
Member Services Division, Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

Retirement Benefit Election Package

Welcome to CalPERS!

As a new State Miscellaneous or Industrial member, or a member who has returned to State employment after a 90-day separation, you were automatically enrolled in the State Miscellaneous or Industrial 2% at age 55 retirement formula. This information and election package is being provided should you wish to change your enrollment to the State Second Tier 1 $\frac{1}{4}$ % at age 65 retirement formula.

The following options are available during the **first 180 days** from your membership date in CalPERS:

- take no action and remain in the State Miscellaneous or Industrial 2% at age 55 retirement formula; or
- elect the State Second Tier 1 $\frac{1}{4}$ % at age 65 retirement formula for all **future** State Miscellaneous and Industrial Service.

Remain Under the State Miscellaneous or Industrial 2% at Age 55 Retirement Formula

No action is necessary on your part to remain in the State Miscellaneous or Industrial 2% at age 55 retirement formula. Your decision to remain under this formula will require monthly member contributions be deducted from your paycheck.

If you have **past** State Second Tier credited service and are interested in receiving information on converting that service to the State Miscellaneous or Industrial 2% at age 55 retirement formula, please fill out and return the request form at the back of this booklet entitled ***“Request for Cost Information”*** (PERS-MSD-353). You retain the right to convert your **past** State Second Tier credited service at any time prior to retirement, as long as you are in State employment when you make the election.

Elect the State Second Tier 1 $\frac{1}{4}$ % at Age 65 Retirement Formula for Future Service

Complete the election document “*Election to the State Second Tier 1 $\frac{1}{4}$ % at age 65 Retirement Formula*” (PERS-MSD-350) located in the back of this booklet and return it to CalPERS within 180 days of your membership date. If an election is not received within 180 days, it will be considered an irrevocable election to remain covered under the State Miscellaneous or Industrial 2% at age 55 retirement formula for all current and future State Miscellaneous or Industrial service with the State.

Your election to become a State Second Tier member under the 1 $\frac{1}{4}$ % at age 65 retirement formula does not require regular monthly member contributions to be deducted from your paycheck. Your retirement benefits are funded solely by employer contributions. However, if you make this election, the retirement allowance payable under this formula will be **less than half** the amount that you would receive as a member under the State Miscellaneous or Industrial 2% at age 55 retirement formula.

The effective date of your election will be the first day of the month following receipt of your election form at CalPERS. If you elect the State Second Tier 1 $\frac{1}{4}$ % at age 65 retirement formula for future service, you **will not** receive a refund of any member contributions made while under the State Miscellaneous or Industrial 2% at age 55 retirement formula.

What You Need to Do Next

Reviewing the enclosed Benefit Comparison Chart, Contribution Worksheet, and Service Retirement Calculation Worksheet can assist you in making your decision. Everyone's retirement needs are different. CalPERS recommends that you consider your retirement needs very carefully before making your decision.

If you need assistance, CalPERS staff is available to assist you Monday through Friday, 8 a.m. to 5 p.m., (800) 352-2238.

Benefit Comparison Chart

	State Miscellaneous or Industrial (2% at age 55)	State Second Tier (1 ¹ / ₄ % at age 65)																																																																				
Member Contributions	If you are covered by Social Security, your contributions are 5 percent of your monthly earnings in excess of \$513. If you are not covered by Social Security, your contributions are 6 percent of your monthly earnings in excess of \$317.	You pay no member contributions.																																																																				
Service Retirement																																																																						
Minimum Requirements	Age 50 with five years of CalPERS service.	Age 55 with 10 years of CalPERS service, or age 50 for members with five years of credited service prior to 1/1/85.																																																																				
Age at Retirement & Benefit Factors	<table><tr><td>Age</td><td>%</td><td>Age</td><td>%</td></tr><tr><td>50</td><td>1.100</td><td>57</td><td>2.126</td></tr><tr><td>51</td><td>1.280</td><td>58</td><td>2.188</td></tr><tr><td>52</td><td>1.460</td><td>59</td><td>2.250</td></tr><tr><td>53</td><td>1.640</td><td>60</td><td>2.314</td></tr><tr><td>54</td><td>1.820</td><td>61</td><td>2.376</td></tr><tr><td>55</td><td>2.000</td><td>62</td><td>2.438</td></tr><tr><td>56</td><td>2.064</td><td>63+</td><td>2.500</td></tr></table>	Age	%	Age	%	50	1.100	57	2.126	51	1.280	58	2.188	52	1.460	59	2.250	53	1.640	60	2.314	54	1.820	61	2.376	55	2.000	62	2.438	56	2.064	63+	2.500	<table><tr><td>Age</td><td>%</td><td>Age</td><td>%</td></tr><tr><td>50</td><td>.500</td><td>58</td><td>.900</td></tr><tr><td>51</td><td>.550</td><td>59</td><td>.950</td></tr><tr><td>52</td><td>.600</td><td>60</td><td>1.000</td></tr><tr><td>53</td><td>.650</td><td>61</td><td>1.050</td></tr><tr><td>54</td><td>.700</td><td>62</td><td>1.100</td></tr><tr><td>55</td><td>.750</td><td>63</td><td>1.150</td></tr><tr><td>56</td><td>.800</td><td>64</td><td>1.200</td></tr><tr><td>57</td><td>.850</td><td>65+</td><td>1.250</td></tr></table>	Age	%	Age	%	50	.500	58	.900	51	.550	59	.950	52	.600	60	1.000	53	.650	61	1.050	54	.700	62	1.100	55	.750	63	1.150	56	.800	64	1.200	57	.850	65+	1.250
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Final Compensation	Averaged over highest 12 consecutive months of salary.	Averaged over highest 12 consecutive months of salary.																																																																				
Adjustment to Final Compensation	For service covered by Social Security, the final compensation is reduced by \$133.33.	No adjustment – regardless of Social Security coverage.																																																																				
Option 1 Benefit	You may take a reduction to your unmodified allowance (highest monthly retirement allowance payable) to guarantee that upon your death any member contributions remaining in your account will be paid to your beneficiary.	Not available for Second Tier service because there are no member contributions.																																																																				
Option 2, 2W, 3, 3W, or 4 Benefit	You may take a reduction to your unmodified allowance to provide a monthly allowance to your named beneficiary throughout their lifetime.	Same as State Miscellaneous or Industrial 2% at age 55.																																																																				

Benefit Comparison Chart

	State Miscellaneous or Industrial (2% at age 55)	State Second Tier (1 ¹ / ₄ % at age 65)
Disability Retirement		
Minimum Requirements	Five years of CalPERS service at any age.	Ten years of CalPERS service at any age. (For persons with five years of credited service prior to 1/1/85, only five years are required.)
Benefit Factors	1.8%	1.125%
Disability Benefit	<p>If you are disabled and you have between 5.000 and 9.999 years of service credit, you will receive up to 18 percent of your final compensation (multiply 1.8 x years of service).</p> <p>If you have between 10.000 and 18.519 years, you will receive up to $\frac{1}{3}$ (33%) of your final compensation (years of service + years to reach 60 x 1.8). If you have more than 18.519 years, the $\frac{1}{3}$ limit may be exceeded. However, you cannot receive more than the Service Retirement allowance payable at age 60.</p> <p>At age 55 and older, your Disability Retirement allowance will be the same as your Service Retirement allowance.</p>	<p>If you had five years of service credit on 1/1/85 and you currently have between 5.000 and 9.999 years of service credit, you will receive up to 11.250 percent of your final compensation.</p> <p>If you have between 10.000 and 29.629 years of service, you will receive up to $\frac{1}{3}$ (33%) of your final compensation. If you have more than 29.629 years, the $\frac{1}{3}$ limit may be exceeded. However, you cannot receive more than the Service Retirement allowance payable had you worked to age 65.</p> <p>At age 65 and older, your Disability Retirement allowance will be the same as your Service Retirement allowance.</p>
Industrial Disability (State Industrial members)	If your disability is the result of a violent attack against you by an inmate or parolee, and you are an employee of the Department of Corrections, the Department of the Youth Authority, the Prison Industry Authority, or the Board of Prison Terms, the Industrial Disability benefit will be paid. There is no age or service requirement. You will receive 50 percent of your final compensation.	Same as State Miscellaneous or Industrial 2% at age 55.
Option 1, 2, 2W, 3, 3W or 4 Benefit	See explanation for Service Retirement.	See explanation for Service Retirement.

Benefit Comparison Chart

	State Miscellaneous or Industrial (2% at age 55)	State Second Tier (1 ¹ / ₄ % at age 65)
Pre-Retirement Death Benefits	Not Eligible to Retire on Date of Death	
	Under age 50, regardless of years of service. Age 50 or older with less than five years of service.	Under age 55, regardless of years of service. Age 55 or older with less than 10 years of service or under age 50 for members with five years of credited service prior to 1/1/85.
Group Term Life Insurance	\$5,000, plus six months pay.	\$5,000, plus six months pay.
Plus one of the following:		
Basic Death Benefit	Return of member contributions plus interest.	Not available for Second Tier service because there are no member contributions.
Or		
Special Death Benefit	If your death is the direct result of a violent act against you while you were performing your official duties, your surviving spouse or unmarried children under age 22 may receive a monthly allowance equal to 50 percent of your final compensation. When the death was caused by external violence or physical force while on the job, and there are eligible surviving children in addition to your spouse, the allowance may be increased to a maximum of 75 percent. This benefit is payable to your surviving spouse until the death of your spouse or to your unmarried children under the age of 22. To be eligible, your spouse must have been legally married to you prior to the injury that resulted in your death.	Same as State Miscellaneous or Industrial 2% at age 55.
Pre-Retirement Death Benefits	Eligible to Retire on Date of Death	
	Age 50 with minimum of five years service.	Age 55 with minimum of 10 years of service, or age 50 with five years of credited service prior to 1/1/85.

Benefit Comparison Chart

	State Miscellaneous or Industrial (2% at age 55)	State Second Tier (1 ¹ / ₄ % at age 65)
Group Term Life Insurance		
Plus one of the following :	\$5,000.	\$5,000.
Option 2 Death Benefit (for eligible surviving spouse)	Option 2 monthly allowance, as though you had retired on the date of your death.	Same as State Miscellaneous or Industrial 2% at age 55, except benefit is based on the lower retirement allowance.
Or		
1957 Survivor Benefit (no eligible spouse but minor children)	Monthly allowance equal to 50 percent of the unmodified allowance, as though you had retired on the date of your death.	Same as State Miscellaneous or Industrial 2% at age 55, except benefit is based on the lower retirement allowance.
Or		
Basic Death Benefit (no eligible beneficiary for the monthly allowance or eligible beneficiary chooses the basic death benefit)	Return of contributions, plus interest and six months pay.	Six months pay.
Or		
Special Death Benefit	If your death is the direct result of a violent act against you while you were performing your official duties, your surviving spouse or unmarried children under age 22 may receive a monthly allowance equal to 50 percent of your final compensation. When the death was caused by external violence or physical force while on the job, and there are eligible surviving children in addition to your spouse, the allowance may be increased to a maximum of 75 percent. This benefit is payable to your surviving spouse until the death of your spouse or to your unmarried children under the age of 22. To be eligible, your spouse must have been legally married to you prior to the injury that resulted in your death.	Same as State Miscellaneous or Industrial 2% at age 55.

Benefit Comparison Chart

	State Miscellaneous or Industrial (2% at age 55)	State Second Tier (1¼% at age 65)
Post-Retirement Death Benefits		
<i>Option 1, 2, 2W, 3, 3W, or 4 Benefit</i>	See explanation under Service Retirement.	See explanation under Service Retirement.
<i>Lump-Sum Death Benefit</i>	\$2,000.	\$2,000.
<i>Survivor Continuance (provides continuing allowance to eligible survivor)</i>	25 percent of the unmodified allowance, if you are under Social Security; 50 percent if not under Social Security.	Same as State Miscellaneous or Industrial 2% at age 55, except those under Second Tier prior to 11/1/88 will continue to receive 50 percent continuance.
<i>Cost-of-Living Adjustment (payable on all monthly allowances except 1959 Survivor Benefit)</i>	Up to 2 percent per year compounded annually, depending on the increase in the Consumer Price Index (CPI). If the CPI registers a lower amount, the lesser is paid. This adjustment starts the second calendar year after retirement.	A fixed 3 percent per year compounded annually, which is not based on the Consumer Price Index. This adjustment starts the second calendar year after retirement.
Member Home Loan Program		
<i>Eligibility</i>	Members receive 100 percent financing comprised of: 95 percent real estate loan, and 5 percent personal loan. Members must have a minimum \$2,000 in their retirement account in order to receive a personal loan. The maximum personal loan amount is \$18,421. The personal loan cannot exceed 5 percent of the purchase price of the home. For more information, call (800) 874-7377.	Members receive a 95 percent real estate loan. The 5 percent personal loan only applies for members with contributions on deposit for service other than State Second Tier.
Health Benefits		
<i>Eligibility at Time of Retirement</i>	Must retire within 120 days of separation from employment to continue health benefits coverage.	Same as State Miscellaneous or Industrial 2% at age 55.

Calculating Your Service Retirement Allowance

Calculating Your Unmodified Retirement Allowance

To calculate your unmodified retirement allowance, the highest monthly retirement allowance payable, three factors are required:

- **years of service** – total years of service credit at retirement;
- **benefit factor** – based on your age at retirement (see page 4); and
- **final compensation** – based on your highest average monthly pay rate for 12 consecutive months.

If you contribute to Social Security, you must reduce your final compensation by \$133.33 for service under the State Miscellaneous or Industrial 2% at age 55 retirement formula. No adjustment is required for State Second Tier service. The following is a comparison of the unmodified retirement allowance payable under the State Miscellaneous or Industrial 2% at age 55 and State Second Tier 1 $\frac{1}{4}$ % at age 65 retirement formulas. The attached worksheet provides space for you to estimate your retirement payable under either formula.

$$\begin{array}{ccccccc} \text{Years of State Misc.} & & & & & & \\ \text{and/or Indus. service} & & & & & & \\ \text{under this formula} & \times & \text{Benefit Factor} & & \times & \text{Final Compensation} & = \\ & & \text{based on age} & & & \text{(minus \$133.33} & \\ & & & & & \text{if required)} & \\ & & & & & & \text{Unmodified} \\ & & & & & & \text{Allowance} \\ & & & & & & \text{(highest monthly} \\ & & & & & & \text{allowance payable)} \end{array}$$

$$\begin{array}{ll} \text{Member Retirement Age} & = 55 \\ \text{Total Years of State Service Credit} & = 25 \text{ years} \\ \text{Final Compensation} & = \$3,133.33 \text{ (minus \$133.33, if required)} = \$3,000 \end{array}$$

Example I: State Miscellaneous or Industrial 2% at Age 55 Service Only

$$\begin{array}{ccccccc} \text{Service} & \times & \text{Benefit} & = & \% & \times & \text{Final} & = & \text{Unmodified} \\ \text{Credit} & & \text{Factor} & & & & \text{Comp.} & & \text{Allowance} \\ \\ 25 & \times & .02 & = & .50 & \times & \$3,000 & = & \$1,500 \\ \text{(years)} & & \text{(2\%)} & & \text{(50\%)} & & & & \text{(per month)} \end{array}$$

Example II: State Second Tier 1 $\frac{1}{4}$ % at Age 65 Service Only

$$\begin{array}{ccccccc} \text{Service} & \times & \text{Benefit} & = & \% & \times & \text{Final} & = & \text{Unmodified} \\ \text{Credit} & & \text{Factor} & & & & \text{Comp.} & & \text{Allowance} \\ \\ 25 & \times & .0075 & = & .1875 & \times & \$3,133.33 & = & \$587.50 \\ \text{(years)} & & \text{(.750\%)} & & \text{(18.75\%)} & & & & \text{(per month)} \end{array}$$

Service Retirement Calculation Worksheet

Calculate Your Projected Service Retirement

Your Projected Retirement Age: _____

Your Projected Total Years of
State Service* Credit: _____

Your Projected Final Compensation: _____ – \$133.33** (if required) = \$_____

I. If you remain under the State Miscellaneous or Industrial 2% at age 55 formula

Service Credit	X	Benefit Factor	=	%	X	Final Comp.	=	Unmodified Allowance
_____	X	_____	=	_____	X	_____	=	\$_____

II. If you elect the State Second Tier 1¹/₄% at age 65 formula

Service Credit	X	Benefit Factor	=	%	X	Final Comp.	=	Unmodified Allowance
_____	X	_____	=	_____	X	_____	=	\$_____

I. Total Unmodified Allowance 2% at age 55 Formula \$_____

II. Total Unmodified Allowance 1¹/₄% at age 65 Formula \$_____

* Use only State Miscellaneous and/or State Industrial service.

** Do not reduce your final compensation by \$133.33 for State Miscellaneous or Industrial 2% at age 55 service not covered by Social Security. Do not adjust your final compensation for State Second Tier service, regardless of Social Security coverage.

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Cost Information Request

Request for Cost Information to Convert Past State Second Tier Service

I am an active State employee with past credited service in the
State Second Tier 1¹/₄% at age 65 retirement formula
and request cost/election information to convert that service to
the State Miscellaneous or Industrial 2% at age 55 retirement formula.

Member Signature

Social Security Number

Member Printed Name

Date

Mailing Address

Daytime Telephone Number

City

State, ZIP

**Please return this form to:
California Public Employees' Retirement System
Member Services Division, Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704**

Justification for Non-Signature of Spouse

Election to the State Miscellaneous or Industrial 1 $\frac{1}{4}$ % at Age 65 Retirement Formula

Pursuant to Government Code Section 21261, your current spouse must be made aware of the selection of benefits you make. Your spouse must acknowledge the submission of your Election Document (PERS-MSD-350) for the State Miscellaneous or Industrial 1 $\frac{1}{4}$ % at age 65 retirement formula.

If your spouse's signature does not appear on the election document, the following information **MUST** be completed and submitted with your election.

Name

Social Security Number

☐ I am not legally married (never married, divorced, widow/er).

☐ I am married, but my spouse did not sign the form because either:

Select only one of the following:

☐ I do not know, and have taken all reasonable steps to determine, the whereabouts of my spouse.

☐ My spouse has been advised of the election and has refused to sign the written acknowledgment.

☐ My spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.

☐ My spouse has no identifiable community property interest in the benefit.

☐ My spouse and I have executed a marriage settlement agreement, which make the community property law inapplicable to the marriage.

I certify under penalty of perjury that this information is true and correct.

Signature of Member

Date

Election Document for State Second Tier Retirement Formula

To be valid, this document must be completed and forwarded to CalPERS within 180 days of your membership date.

I certify that I have read and understand the information that accompanied this document, and I hereby elect to enroll in the State Second Tier retirement formula for State Miscellaneous and Industrial service, effective the first day of the month following receipt of my election at CalPERS. **I understand that if I elect the State Second Tier for future service, I will not receive a refund of contributions made for service earned under the State Miscellaneous or Industrial 2% at age 55 retirement formula, while an active CalPERS member.**

Member Information

_____ Member Printed Name	_____ Social Security Number
_____ Address	_____ Employer
_____ City	_____ Daytime Telephone Number
_____ State, ZIP	
_____ Member Signature	_____ Date

Spouse Information

_____ Spouse Printed Name	_____ Date
_____ Spouse Signature	

Failure to file this form with CalPERS within 180 days of your membership date will be deemed an irrevocable election to remain enrolled in the State Miscellaneous or Industrial 2% at age 55 retirement formula for all future qualifying State Miscellaneous or Industrial service.

**Mail this form to:
California Public Employees' Retirement System
Member Services Division, Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704**

Information Practices Statement

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information.

The information requested is collected pursuant to Government Code Sections 20000, et seq. and will be used for administration of the Board's duties under the California Public Employees' Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act. Submission of the requested information is mandatory. If you fail to supply the information CalPERS may be unable to perform its functions regarding your status. Portions of this information may be transferred to: state and public agency employers, California State Attorney General, Office of the State Controller, Teale Data Center, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Appeals Board, State Compensation Insurance Fund, county District Attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who prepare microfiche/microfilm and official

documents for CalPERS. Disclosure to these entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by CalPERS. For questions concerning your rights under the Information Practices Act of 1977, contact:
CalPERS Information Coordinator
400 P Street
P.O. Box 942702
Sacramento, CA 94229-2702.

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



***California Public Employees'
Retirement System***

400 P Street

Sacramento • CA 95814

www.calpers.ca.gov

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